

## STATE OF INDIANA

**MITCHELL E. DANIELS, JR., Governor**

**DEPARTMENT OF ADMINISTRATION**  
**Procurement Division**

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Indianapolis, Indiana 46204  
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## Award Recommendation Letter

Date: June 4, 2010

To: Jessica Robertson, Director of Strategic Sourcing  
Indiana Department of Administration

From: Nicole Kenney, Strategic Sourcing Analyst

Subject: Recommendation for Selection of Road Salt Bid, ASA-10-035 for Participating  
State of Indiana Agencies and Local Governmental Entities

<b>Estimated Amount of One Year Contract:</b>	<b>\$ 16,532,521.80</b>	<b>State of Indiana Agencies</b>
	<b>\$ 15,748,193.81</b>	<b>Local Governmental Entities</b>

*\*This amount is based on participating entities purchasing 100% of the road salt tonnage provided in the bid documents. These figures are only an estimate and are not considered an amount offered; actual quantities may vary.*

Based on the evaluation of the bids received **Cargill, Detroit Salt, and North American Salt are recommended for contract award.** Terms of this recommendation are included in this letter. There is no award for the solar salt line items because no responses were received.

SALT TYPE	SALT FOR ENTITY	COMMITMENT RANGE	TOTAL QUANTITY (100%)	DELIVERY METHOD	AWARDED VENDOR	PRICE PER TON
<b>CRAWFORDSVILLE DISTRICT 10</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	51,095	Delivered	North American	\$62.00
				Delivered + Loaded	North American	\$65.10
	Local Governmental Entities	80-120	16,250	Delivered	Cargill	\$63.66
Treated Salt	Local Governmental Entities & Other State Agencies	80-120	7,677	Delivered	North American	\$72.65
<b>FORT WAYNE DISTRICT 20</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	46,050	Delivered	North American	\$61.50
				Delivered + Loaded	North American	\$64.60
	Local Governmental Entities	80-120	26,720	Delivered	Detroit Salt	\$59.89

Treated Salt	Local Governmental Entities	80-120	865	Delivered	Cargill	\$74.17
<b>GREENFIELD DISTRICT 30</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	52,105	Delivered	Cargill	\$62.42
				Delivered + Loaded	Cargill	\$65.88
	Local Governmental Entities	80-120	16,480	Delivered	Cargill	\$63.16
Treated Salt	Local Governmental Entities & Other State Agencies	80-120	54,230	Delivered	Cargill	\$71.69
<b>LAPORTE DISTRICT 40</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	65,250	Delivered	North American	\$55.98
				Delivered + Loaded	North American	\$59.08
	Local Governmental Entities	80-120	72,355	Delivered	North American	\$52.50
Treated Salt	Local Governmental Entities	80-120	22,375	Delivered	North American	\$70.78
<b>SEYMOUR DISTRICT 50</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	37,225	Delivered	North American	\$56.99
				Delivered + Loaded	North American	\$60.09
				Dedicated Pile Fee	North American	\$1.00
				Pick Up	North American	\$57.60
	Local Governmental Entities	80-120	16,500	Delivered	North American	\$59.34
Treated Salt	Local Governmental Entities	80-120	9,325	Delivered	North American	\$72.77
<b>VINCENNES DISTRICT 60</b>						
Untreated Salt	INDOT & Other State Agencies	80-150	25,100	Delivered	North American	\$59.34
				Delivered + Loaded	North American	\$62.44
				Dedicated Pile Fee	North American	\$1.00
				Pick Up	North American	\$58.60
	Local Governmental Entities	80-120	8,305	Delivered	North American	\$59.34
Treated Salt	Local Governmental Entities	80-120	500	Delivered	Cargill	\$73.87

The State of Indiana received proposals from four (4) vendors:

- Cargill
- The Detroit Salt Company
- Morton Salt
- North American Salt

The proposals were evaluated by the Indiana Department of Administration (IDOA) according to the criteria established in the bid documents. Respondents could bid on any combination of the line items in order to have a valid bid.

#### **Bid Analysis**

The State of Indiana evaluated bids based on the lowest price per ton offered to the state. When necessary, the state requested additional information or clarification from respondents. Cargill claimed the Indiana Business Preference and was deemed an Indiana company; therefore, Cargill received a 1% price preference on all line items bid.

Cargill, Detroit Salt, and Morton Salt claimed US Manufacturer Preference on all line items. North American claimed this preference in the Crawfordsville, Greenfield, Seymour, and Vincennes INDOT districts.

The lowest bid with US Manufacturer preference for line items in Fort Wayne and LaPorte yield an increase of \$369,813.60 in spend versus the actual lowest price submitted by North American. Although North American did not claim this preference, the state cannot justify awarding to the lowest respondent who did claim the preference - because of the substantial increase in spend.

As an option to the Indiana Department of Transportation (INDOT), the state requested alternative pricing from all respondents who bid the INDOT untreated salt line items. Alternative pricing was inclusive of the original bid terms and conditions with the exception of a smaller commitment range (100% -150%). All respondents submitted alternative pricing in a timely manner.

Respondents were given an opportunity to improve their bid through a best and final offer (BAFO) round. All respondents submitted pricing in a timely manner. Cargill was the only respondent who did not revise *any* pricing as originally submitted. North American Salt and Detroit Salt provided the most competitive BAFO pricing.

#### **Award Summary**

During the course of evaluation, the State scrutinized all proposals to determine the viability of the proposed business solutions to meet the needs of the State. The team evaluated proposals based on the stipulated criteria outlined in the bid documents. The final cost analysis of price per ton is listed on the following page as Exhibit A.

This agreement will be for a period of one (1) year.



Nicole Kenney  
Strategic Sourcing Analyst  
Indiana Department of Administration

**EXHIBIT A – Final Price Per Ton Analysis**

<b>BID LINE ITEM</b>	<b>INDOT DISTRICT / SALT TYPE</b>	<b>SALT FOR ENTITY</b>	<b>CARGILL (includes 1% Preference Applied)</b>	<b>DETROIT SALT</b>	<b>NORTH AMERICAN SALT</b>	<b>MORTON SALT</b>
1	10- Crawfordsville UNTREATED	INDOT & Other State Agencies	\$69.81	\$63.25	\$62.00	\$70.52
2			\$73.28	\$66.25	\$65.10	\$73.67
3		Local Governmental Entities	\$63.66	\$64.57	\$68.60	\$73.58
23	10- Crawfordsville TREATED	Local Governmental Entities & Other State Agencies	\$73.76	no bid	\$72.65	no bid
4	20-Fort Wayne UNTREATED	INDOT & Other State Agencies	\$66.75	no bid	\$61.50	\$63.89
5			\$70.21	no bid	\$64.60	\$67.64
6		Local Governmental Entities	\$63.66	\$59.89	\$67.74	\$62.43
24	20-Fort Wayne TREATED	Local Governmental Entities	\$74.17	no bid	\$81.74	no bid
7	30-Greenfield UNTREATED	INDOT & Other State Agencies	\$62.42	no bid	\$69.83	\$72.88
8			\$65.88	no bid	\$72.93	\$76.63
9		Local Governmental Entities	\$63.16	no bid	\$68.33	\$73.65
25	30-Greenfield TREATED	Local Governmental Entities & Other State Agencies	\$71.69	no bid	\$76.94	no bid
10	40-LaPorte UNTREATED	INDOT & Other State Agencies	\$58.18	no bid	\$55.98	\$57.27
11			\$61.65	no bid	\$59.08	\$61.02
12		Local Governmental Entities	\$56.01	no bid	\$52.50	\$54.67
26	40-LaPorte TREATED	Local Governmental Entities	\$70.89	no bid	\$70.78	no bid
13	50-Seymour UNTREATED	INDOT & Other State Agencies	no bid	no bid	\$56.99	\$61.40
14			no bid	no bid	\$60.09	\$65.15
15			no bid	no bid	\$1.00	\$3.00
16			no bid	no bid	\$57.60	\$62.00
17		Local Governmental Entities	\$65.21	no bid	\$59.34	\$62.28
27	50-Seymour TREATED	Local Governmental Entities	\$73.87	no bid	\$72.77	no bid
18	60-Vincennes UNTREATED	INDOT & Other State Agencies	no bid	no bid	\$59.34	\$67.56
19			no bid	no bid	\$62.44	\$71.31
20			no bid	no bid	\$1.00	\$3.00
21			no bid	no bid	\$58.60	\$65.00
22		Local Governmental Entities	no bid	no bid	\$59.34	\$65.43
28	60-Vincennes TREATED	Local Governmental Entities	\$73.87	no bid	\$80.36	no bid